

Services Acquisition FIPT

22 September 2016

Attendees:

- Brennan, Ken, OUSD(AT&L)/DPAP Services Acquisition (SA FIPT Functional Leader)
- Sweeney, Scott, OUSD(AT&L)/DPAP Services Acquisition (SA FIPT Executive Secretary)
- Weaver, L. Dwayne, Navy SSM
- Andrews, Nancy, Program Executive Officer, SAF/AQ
- Brisbon, H. Katrina, DISA SSM
- DeSimone, Laura, MDA SSM, Director for Acquisition
- O'Bar, Michael, DHA SSM
- Thomas-Rizzo, Renè, Director, HCI (via phone)
- Williams, Harold, Army Deputy SSM
- Koufas, Ted, USSOCOM, Program Executive Officer, SORDAC
- Clarke, Robert, AFPEO/CM
- Trigg, Michelle, AF Deputy DACM (via phone)
- Taylor, Sherry, Army OSSM
- Nelles, Jae, Army OSSM
- Whitfield, Giselle, Army DACM Office
- Blocker, DeCarol, Navy OSSM
- Dunbar, Natalie, ASN RDA (via phone)
- Ferreira, Roger, ASN RDA DASN(AP)
- Colvill, Al, DLA (via phone)
- Brown, Renee, DLA (via phone)
- Bolluyt, Robert, DHA (via phone)
- Knight, Diane, MDA
- Long, Leroy, DISA PLD (via phone)
- Floyd, Larry, DAU
- Pilling, Randy, DAU (via phone)
- Stroup, Adam, DAU (via phone)
- Polite, Adam, HCI (via phone) (CTR)
- Middleton, Anita, OUSD(AT&L)/DPAP Services Acquisition
- Roder, Nicholas, OUSD(AT&L)/DPAP Services Acquisition
- Weinstein, Danny, OUSD(AT&L)/DPAP Services Acquisition (CTR)
- Chevalier, Ryan, OUSD(AT&L)/DPAP Services Acquisition (CTR)

I. Opening Remarks

- a. Mr Brennan began the meeting with a discussion of the upcoming administration change, which, due to bipartisan support for initiatives to improve services acquisition, is not expected to have a significant impact on the services functional area.

- b. Regardless of election outcome, there will be significant changes in leadership.
- c. Mr Brennan also mentioned FY17 SA training sessions planned, including several multi-day sessions (at the National Conference Center and the Redstone Conference Center, due to unavailability of Southbridge) and several one-day “mini-sessions” at various locations, including the Mark Center and Aberdeen Proving Ground. Mini-sessions will focus on facilitated discussion, with a limited panel and a single case study. FIPT members were asked to contact Scott Sweeney if they have ideas on other groups or locations to target for additional mini-sessions in FY17.
- d. Mr Brennan noted that the DoDI 5000.74 will undergo a refresh over the next 6 to 12 months. There will be opportunity for input and review from the MILDEPs and Agencies.

II. Contract Air Services

- a. Mr Sweeney delivered a briefing on contract air services (CAS).
- b. Because of a shortage of pilots, dollars, and training time, DoD contracts commercial companies for private pilots and fighter jets to play adversaries during training drills with military pilots.
- c. CAS includes manned and unmanned aircraft, air-to-air and air-to-ground refueling, fleet missile defense, space/missile defense, reconnaissance, chase services, and R&D services.
- d. There have been several accidents since 2010, some resulting in fatalities. These incidents highlight questions of airworthiness and the role of the National Transportation Safety Board (NTSB) and the Federal Aviation Administration (FAA) in the oversight of CAS. (Currently, the FAA does not provide any oversight of CAS beyond issuance of the aircraft’s initial airworthiness certificate. However, the Air Force has placed responsibility for both initial certification *and* ongoing oversight with the FAA.) Liability and risk are also impacted by whether CAS is considered a civilian aircraft or a public aircraft activity.
- e. The FIPT discussed whether there is a cross-Component governance role for SSMs and, if so, how this would relate to the FAA’s role.
- f. As the FDE concept is relaunched in FY17, the FIPT discussed whether certain FDEs (Transportation Services, Knowledge-Based Services/Education & Training Services) would be involved in CAS governance.
- g. Mr Clarke described the Air Force’s use of CAS for aggressor training. He noted that the Air Combat Command is taking an enterprise approach to CAS governance, integrated with education and training commands.

III. MDA Update to SA FIPT

- a. Ms DeSimone delivered an update on MDA’s management of services acquisition.
- b. Ms DeSimone delineated the status of MDA’s compliance with DoDI 5000.74:
 - i. With respect to appointment of an SSM and Component-level functional leads (CLL) to support the FDE structure, MDA is compliant via signature and implementation of the MDA Director’s 8 July 2016 memo. MDA has assigned four CLLs; in some cases, similar functional domains are grouped under single CLLs.
 - ii. With respect to the services requirements Review Board (SRRB) process, MDA is compliant. Ms DeSimone briefed MDA’s SRRB structure. The first SRRB was completed 30 August 2016. It provided a forum among stakeholders that highlighted

the need for additional effort on proper Product Service Code (PSC) utilization. MDA will publish a list of its most commonly used PSCs in order to encourage proper utilization. Mr Brennan noted that there is an opportunity under category management to influence PSC utilization. Components should inform DPAP if they have any changes to the PSC structure to recommend (deletions, additions, realignments, etc.), as well as if they have recommended changes to any PSC definitions. The first MDA SRRB also identified several opportunities for integration and consolidation of programs in order to foster efficiency. Ms DeSimone noted that the Fourth Estate did indeed get hit with efficiency cuts; however, MDA was able to manage the cuts through competition savings on contracted services.

- iii. With respect to appointment of a PM or FSM for all services requirements valued at over \$10M, MDA is partially compliant. MDA is compliant for the Technical, Engineering, Advisory, and Management Support (TEAMS) warfighter integration contract and is working towards aligning Integrated Research & Development for Enterprise Solutions (IRES) management structure with DoDI guidance. MDA's internal guidance outlines qualifications, selection, and personnel management of PMs. FSM nomination and management is yet to be addressed.
- iv. With respect to IT services, MDA is still analyzing the impact on its contracted services.

IV. USSOCOM Update to SA FIPT

- a. Mr Koufas delivered an update on USSOCOM's management of services acquisition.
- b. Mr Koufas noted that USSOCOM's Acquisition Executive now has Service Category I (S-CAT I) authority, although this authority can be rescinded at any time; acquisitions in this category are still subject to OSD pre- and post-award peer review.
- c. USSOCOM's contracting dollars are split as follows: 63% services and 37% products.
- d. USSOCOM has a total of 147 warranted contracting officers, but only 25 of them are contingency contracting officers, which Mr Koufas noted was insufficient (given the wide geographic spread of operations) and which causes USSOCOM to rely on the Military Departments.
- e. Mr Koufas praised the SRRB process as identifying opportunities for efficiencies in services and warfighting capabilities. USSOCOM did take cuts as a result, but the cuts were manageable.
- f. USSOCOM uses DoDI 5000.74 and small-business guidance to make improvements in its internal guidance, which it updates for consistency with DoDI 5000.74 as needed.
- g. USSOCOM exceeded every DoD small-business requirement. USSOCOM's small-business lead received the Federal Government's small-business award last year, a reflection of USSOCOM's success in small-business inclusion.
- h. USSOCOM's goal is 100% review of contracts and requirements every year.

V. DHA Update to SA FIPT

- a. Mr O'Bar delivered an update on DHA's management of services acquisition.
- b. DHA serves as the program manager for TRICARE health and medical resources, administering TRICARE programs and funding with the DoD. DHA also exercises

management responsibility for shared services in the Military Health System (MHS), such as medical/pharmacy benefits, medical education, medical R&D, public health, acquisition, budget, facilities, etc.

- c. DHA's annual services obligations are \$11B for TRICARE, \$1.3B for DHA only, and \$3B across the entire MHS enterprise. This includes D-coded services (IT), Q-coded services (medical), and R-coded services (professional, administrative, management support). Previously, these services were being acquired in a fractured, uncoordinated manner, which was driving up costs. However, in 2015, DHA launched a 10-step online procurement portal with templates and a customer-support team, which has resulted in executable procurement request packages for Contracting Officers to pick up.
- d. DHA has also been making extensive progress over the past year on its internal acquisition process in order to improve traceability of packages, to reduce re-work and ad-hoc decision-making, to improve data and metrics, and to institute a more consistent and standardized process.
- e. Mr O'Bar noted that the SRRB identified approximately 5% in savings that could be achieved.
- f. In an effort to improve services acquisition, DHA is focusing specifically on improving the requirements generation process and on developing strategic sourcing capabilities for the MHS enterprise.
 - i. With respect to requirements generation, DHA's Requirements & Resourcing Board conducted a retrospective review of DHA's FY16 contract requirements and identified opportunities for savings of approximately 5%. In FY17, DHA will begin prospective consideration of services requirements. SRRBs and a Services Contract Approval Form (a modified version of Army's form) will be added to the Procurement Customer Portal and will be required.
 - ii. With respect to strategic sourcing, DHA has a strategic partnership with the General Services Administration (GSA) to acquire D-coded services via the Alliant Governmentwide Acquisition Contract (GWAC) and IT Schedule 70. Moreover, for Q-coded services, DHA is approaching the release of the request for proposals for a multiple-award task order (MATO) contract. For R-coded services, DHA is working to finalize a memorandum of understanding with GSA for OASIS (One Acquisition Solution for Integrated Services). DHA wants GSA to agree to an on-ramp to OASIS, but GSA has been hesitant to do so, especially without requiring higher fees.
 - iii. Mr O'Bar indicated that, in order to get DHA's business, GSA built an ordering portal to DHA's specifications at GSA's own expense. Ordering began in March/April 2016 and has been successful thus far. GSA has provided a staffer who is familiar with DHA's requirements.

VI. Air Force Coding Pilot Update

- a. Ms Trigg provided a status update on the Air Force coding pilot program.
- b. Ms Trigg reminded the FIPT that the pilot program is currently applicable only to the Air Force database, although it can be expanded at a later date.
- c. The goal of the pilot program is to capture those who are involved in services acquisition, whether or not they are members of the acquisition workforce. This will allow those who are

involved in services acquisitions to be more easily identified via coding (for both primary and job specialty codes) that is integrated with existing codes.

- d. The request to modify the database to add services as a career field option was submitted in July. It is expected to be added within a month, although there could be delays due to coordination.

VII. Key Upcoming Dates

- a. 26 Oct 2016 – SA one-day training session for WHS at the Mark Center
- b. 8 Nov 2016 – SA FIPT Working Group meeting
- c. 17 Nov 2016 – SA one-day training session at Aberdeen Proving Ground
- d. 6 Dec 2016 – SA FIPT meeting
- e. 12–15 Dec 2016 – SA training at the National Conference Center, Leesburg, VA
- f. 14 Feb 2017 – SA FIPT Working Group meeting
- g. 15 Mar 2017 – SA FIPT meeting (SSM briefings from Army, Navy, Air Force, DLA, DISA)